PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth the names, ages and positions of the directors and executive officers of GCL. The Bye-laws of GCL provide for a Board of Directors consisting of up to 20 members divided into three classes with terms of three years each. At the 1999 Annual General Meeting of Shareholders, Messrs. Brown, Casey, Conway, McDonald and Porter were elected Class A Directors with a term expiring in 2000; Messrs. Annunziata, Cook, Hippeau, Kent, Lee, Raben and Scanlon were elected Class B Directors with a term expiring in 2001; and Messrs. Bloom, Clayton, Kehler, McCorkindale, Steed and Winnick were elected Class C Directors with a term expiring in 2002. Mr. Hindery was appointed a Class A Director by the Board effective February 9, 2000. Mr. Fok was appointed a Class A Director by the Board effective February 28, 2000.

Name	Age	Position
Gary Winnick	52	Chairman of the Board and Director
Lodwrick M. Cook	71	Co-Chairman of the Board and Director
Leo J. Hindery, Jr.	52	Chief Executive Officer and Director; Chairman and Chief Executive Officer, GlobalCenter Inc.
Thomas J. Casey	48	Vice Chairman of the Board and Director
David L. Lee	50	President, Chief Operating Officer and Director
Joseph P. Clayton	50	Director; President, Global Crossing North America
Jack M. Scanlon	58	Director; Vice Chairman of the Board, Asia Global Crossing
Abbott L. Brown	56	Senior Vice President and Director
Barry Porter	42	Senior Vice President and Director
Dan J. Cohrs	47	Senior Vice President and Chief Financial Officer
John L. Comparin	47	Senior Vice President, Human Resources
James C. Gorton	38	Senior Vice President and General Counsel
John A. Scarpati	48	Chief Administrative Officer
Robert B. Sheh	60	Executive Vice President, Construction and Operations
Edward Mulligan	44	Senior Vice President, Network Operations
William B. Carter	55	President, Global Crossing Development Co.; Chief Executive Officer, Global Marine Systems
S. Wallace Dawson, Jr.	54	President, Atlantic Crossing
Robert Annunziata	52	Director
Jay R. Bloom	44	Director
William E. Conway, Jr.	50	Director
Eric Hippeau	48	Director
Dean C. Kehler	43	Director
Geoffrey J.W. Kent	57	Director
Canning Fok Kin-ning	48	Director
Douglas H. McCorkindale	60	Director
James F. McDonald	60	Director
Bruce Raben	46	Director
Michael R. Steed	50	Director

Gary Winnick--Mr. Winnick, founder of GCL, has been Chairman of the Board of GCL since March 1997. Mr. Winnick is the founder and has been the Chairman and Chief Executive Officer of Pacific Capital Group, Inc. ("PCG"), a leading merchant bank specializing in telecommunications, media and technology, which has a substantial equity investment in GCL, since 1985.

Lodwrick M. Cook--Mr. Cook has been Co-Chairman of the Board of GCL since September 1997 and Vice Chairman and Managing Director of PCG since 1997. He became Chairman of Global Marine Systems, a wholly-owned subsidiary of GCL, in 1999. Prior to joining PCG, Mr. Cook spent 39 years at Atlantic Richfield Co., last serving as Chairman of the Board of Directors from 1986 to 1995, when he became Chairman Emeritus. Mr.Cook is also a member of the Board of Directors of Castle & Cooke, Inc., Litex, Inc. and 911Notify.com.

Leo J. Hindery, Jr.--In February 2000, Mr. Hindery was named CEO of GCL. Mr. Hindery has been a GCL Director since February 2000 and Chairman and Chief Executive Officer of GCL's GlobalCenter Inc. subsidiary since December 1999. Prior thereto, he had been President and Chief Executive Officer of AT&T's Broadband and Internet Services division since March 1999. From March 1997 until March 1999, Mr. Hindery was President of Tele-Communications, Inc., a cable television and programming company. Prior thereto, he was Managing General Partner of InterMedia Partners, a cable television operation that he founded in 1988.

Thomas J. Casey--Mr. Casey has been Vice Chairman and a Director since December 1998, after having been appointed Managing Director of GCL in September 1998. Prior to joining GCL, Mr. Casey was co-head of Merrill Lynch & Co.'s Global Communications Investment Banking Group for three years. From 1990 to 1995, Mr. Casey was a partner and co-head of the telecommunications and media group of the law firm of Skadden, Arps, Slate, Meagher and Flom. Mr. Casey also serves as president of PCG.

David L. Lee--Mr. Lee has been President and Chief Operating Officer and a Director of GCL since March 1997. He has also been a managing director of PCG since 1989.

Joseph P. Clayton--Mr. Clayton has been a Director of GCL since September 1999. He has also served as President, Global Crossing North America since that time. Mr. Clayton was Vice-Chairman of GCL from September 1999 to March 2000. Prior to the Merger with Global Crossing, Mr. Clayton was Chief Executive Officer of Frontier since August 1997 having served as Frontier's President and Chief Operating Officer from June 1997 to August 1997. Prior thereto, he was Executive Vice President, Marketing and Sales--Americas and Asia, Thomson Consumer Electronics, a worldwide leader in the consumer electronics industry.

Jack M. Scanlon--Mr. Scanlon has been a Director since April 1998 and Vice-Chairman of Asia Global Crossing since 1999. Mr. Scanlon was Chief Executive Officer of GCL from April 1998 to March 1999 and Vice Chairman of GCL from March 1999 to March 2000. Prior to joining GCL, Mr. Scanlon was President and General Manager of the Cellular Networks and Space Sector of Motorola Inc. and had been affiliated with Motorola Inc. since 1990.

Abbott L. Brown--Mr. Brown has been a Senior Vice President and a Director of GCL since 1997. He had been a managing director and Chief Financial Officer of PCG from 1994 to 1998. From 1990 through 1994, Mr. Brown was Executive Vice President, Chief Financial Officer and a member of the board of directors of Sony Pictures Entertainment, Inc., a subsidiary of Sony Corporation.

Barry Porter--Mr. Porter has been a Senior Vice President and a director of GCL since 1997. He has also been a managing director of PCG since 1993. Prior thereto, Mr. Porter had been a Senior Managing Director in the investment banking department of Bear, Stearns & Co., Inc.

Dan J. Cohrs--Mr. Cohrs has been Senior Vice President and Chief Financial Officer of GCL since May 1998. From 1993 to 1998, Mr. Cohrs was affiliated with GTE Corporation, rising to the position of Vice President and Chief Planning and Development Officer in 1997.

John L. Comparin--Mr. Comparin has been Senior Vice President, Human Resources of GCL since August 1999. Prior thereto, Mr. Comparin had been Senior Vice President--Human Resources of ALLTEL Corporation, an information technology company that provides wireline and wireless communications and information services.

James C. Gorton--Mr. Gorton has been Senior Vice President and General Counsel of GCL since July 1998, and also served as Secretary of GCL from August 1998 through September 1999. From 1994 to 1998, Mr. Gorton was a partner in the New York law firm of Simpson Thacher & Bartlett.

John A. Scarpati--Mr. Scarpati was appointed Chief Administrative Officer of GCL in December 1999. He previously served as Vice President and Chief Financial Officer at AT&T Business Services Group from 1998 to 1999. Prior thereto, Mr. Scarpati served since 1984 in various executive officer positions for the Teleport Communications Group, including Senior Vice President and Chief Financial Officer.

Robert B. Sheh--Mr. Sheh has been Executive Vice President, Construction and Operations since February 1999. From 1992 to 1998, Mr. Sheh served as President and Chief Executive Officer of International Technology Corporation, an environmental management services firm, and as Chairman and Chief Executive of Air & Water Technologies, an environmental management services firm. From 1989 to 1992 Mr. Sheh served as President of The Ralph M. Parsons Company, a worldwide engineering and construction company. Mr. Sheh held positions of increasing responsibility at Parsons over a period of 20 years.

Edward Mulligan--Mr. Mulligan joined Global Crossing Ltd. in November 1999 as Senior Vice President for Engineering and Operations. In July 1973, Mr. Mulligan began his career with AT&T. In 1990 he joined Teleport Communications Group ("TCG") and rose within the organization to head the Product Lines-of-Business. In 1998 he rejoined AT&T when TCG was acquired by AT&T.

William B. Carter--Mr. Carter has served as President of Global Crossing Development Co., a subsidiary of GCL since September 1997. Since July 1999, he has served as CEO of the Global Marine Systems subsidiary of GCL. Prior to joining GCL, he was president and chief executive officer of AT&T Submarine Systems, Inc., overseeing the research and development, planning, negotiations, engineering, implementation, and integration of their international cable and satellite facilities. Mr. Carter previously served as director of international network operations for AT&T.

S. Wallace Dawson, Jr.--Mr. Dawson joined GCL in September 1997 and was appointed Chief Executive Officer, Atlantic Crossing Ltd. in August 1998. He joined Bell Laboratories in 1968 and subsequently became associated with AT&T Long Lines, where he was responsible for AT&T Packet Switched Services and Data Networking Services. At AT&T Submarine Systems, Inc., he had overall delivery responsibility for implementation of all submarine cable projects.

Robert Annunziata--Mr. Annunziata, a Director of GCL since March 1999, was Chief Executive Officer of GCL from February 1999 through March 2000. From September 1998 to February 1999, Mr. Annunziata was President of AT&T's business services group, responsible for the AT&T global network. Prior thereto, Mr. Annunziata was Chairman and Chief Executive Officer of the Teleport Communications Group, a competitive local exchange carrier, from 1983 to 1998.

Jay R. Bloom--Mr. Bloom, a Director of GCL since March 1997, is a managing director of CIBC World Markets Corp. and co-head of its Leveraged Finance Group. In addition, Mr. Bloom is a member of CIBC's U.S. Management Committee; co-head of CIBC World Markets High Yield Merchant Banking Funds; and a managing director of Caravelle Advisors, L.L.C., the investment advisor to Caravelle Investment Fund, L.L.C., an entity that owns shares of Global Crossing common stock. Mr. Bloom is also a managing director and member of Trimaran Fund II, L.L.C., Trimaran Fund Management, L.L.C., and Trimaran Investments II, L.L.C. Prior to joining CIBC World Markets in 1995, Mr. Bloom was a founder and managing director of The Argosy Group L.P. Mr. Bloom also serves as a director of CIBC World Markets Corp., Heating Oil Partners, L.P., Consolidated Advisers Limited, L.L.C., Argosy Heating Partners, Inc., Dominos, Inc., IASIS Healthcare Corporation and Morris Material Handling, Inc.

William E. Conway, Jr.--Mr. Conway, a Director of GCL since August 1998, has been a managing director of The Carlyle Group, a private global investment firm, since 1987. Prior thereto, Mr. Conway had been Senior Vice President and Chief Financial Officer of MCI Communications Corporation. Mr. Conway also serves as director of Nextel Communications, Inc.

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Eric Hippeau--Mr. Hippeau, a Director of GCL since September 1999, is Chairman and Chief Executive Officer of Ziff-Davis Inc., a publicly-listed company whose majority shareholder is Softbank, Corp. Ziff-Davis Inc. is a leading integrated media and marketing company focused on computing and internet-related technology. Mr. Hippeau has held this position since December 1993, prior to which he held other senior executive positions within Ziff-Davis. He is also a director of Ziff-Davis Inc., Yahoo!, Inc., and Starwood Hotels and Resorts Worldwide, Inc.

Dean C. Kehler--Mr. Kehler, a Director of GCL since March 1997, is a managing director of CIBC World Markets Corp. and co-head of its Leveraged Finance Group. In addition, Mr. Kehler is a member of CIBC's U.S. Management Committee; co-head of CIBC World Markets High Yield Merchant Banking Funds; and a managing director of Caravelle Advisors, L.L.C., the investment advisor to Caravelle Investment Fund, L.L.C., an entity that owns shares of Global Crossing common stock. Mr. Kehler is also a managing director and member of Trimaran Fund II, L.L.C., Trimaran Fund Management, L.L.C., and Trimaran Investments II, L.L.C. Prior to joining CIBC World Markets in 1995, Mr. Kehler was a founder and managing director of The Argosy Group L.P. Mr. Kehler also serves as a director of CIBC World Markets Corp., Booth Creek Group, Inc. and Heating Oil Partners, L.P.

Geoffrey J.W. Kent--Mr. Kent, a Director of GCL since August 1998, is Chairman and Chief Executive Officer of the Abercrombie & Kent group of companies in the travel-related services industry, and has been associated with these companies since 1967.

Canning Fok Kin-ning--Mr. Fok has been a Director of GCL since February 2000. He has served as Group Managing Director of Hutchison Whampoa Limited ("Hutchison") since August 1993. Hutchison, part of the Li Ka-shing group of companies, is a large multi-national conglomerate based in Hong Kong. In January 2000, Hutchison formed a joint venture with GCL to pursue fixed-line telecommunications and internet opportunities in the Hong Kong Special Administrative Region, China. Mr. Fok is the Chairman of Hutchison Telecommunications (Australia) Limited and Partner Communications Company Ltd. and Deputy Chairman of Cheung Kong Infrastructure Holdings Limited and Hongkong Electric Holdings Limited. He is also a director of Cheung Kong (Holdings) Limited and VoiceStream Wireless Corporation.

Douglas H. McCorkindale--Mr. McCorkindale, a Director of GCL since September 1999, is Vice Chairman and President of Gannett Co., Inc., a nationwide diversified communications company, and has held that position since September 1997. Prior thereto, he was Gannett's Vice Chairman and Chief Financial and Administrative Officer. Mr. McCorkindale is also a director of Gannett and Continental Airlines and a director or trustee of a number of investment companies in the family of Prudential Mutual Funds.

James F. McDonald--Mr. McDonald, a Director of GCL since September 1999, has been President and Chief Executive Officer of Scientific-Atlanta, Inc., a leading supplier of broadband communications systems, satellite-based video, voice and data communications networks and world-wide customer service and support, since 1993. He is also a director of Scientific-Atlanta and Burlington Resources, Inc.

Bruce Raben--Mr. Raben, a Director of GCL since March 1997, is a managing director of CIBC Oppenheimer. Prior to joining CIBC Oppenheimer in January 1996, Mr. Raben was a founder, managing director and co-head of the Corporate Finance Department of Jefferies & Co., Inc. since 1990. Mr. Raben also serves as a director of Optical Security, Inc., Evercom, Inc., Terex Corporation and Equity Marketing, Inc.

Michael R. Steed--Mr. Steed, a Director of GCL since March 1997, has been a managing director of PCG since December 1999. Prior thereto, Mr. Steed had been Senior Vice President of Investments for the Union Labor Life Insurance Company, ULLICO Inc. ("ULLICO") and its family of companies and President of Trust Fund Advisors, ULLICO's investment management subsidiary, since 1992. Mr. Steed also serves as a director of Value America and VR-1.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under the federal securities laws, our directors, executive officers and 10% shareholders are required within a prescribed period of time to report to the Securities and Exchange Commission transactions and holdings in

Global Crossing's common stock. Based solely on a review of the copies of such forms received by us and on written representations from certain reporting persons that no annual corrective filings were required for those persons, we believe that during fiscal year 1999 all these filing requirements were timely satisfied, with the exception of one Form 4 relating to a single transaction in Global Crossing common stock which was filed late by Lodwrick Cook.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Committee Report

Compensation Philosophy

Global Crossing's compensation philosophy is to relate the compensation of Global Crossing's executive officers to measures of company performance that contribute to increased value for Global Crossing's shareholders.

To assure that compensation policies are appropriately aligned with the value Global Crossing creates for shareholders, Global Crossing's compensation philosophy for executive officers takes into account the following goals:

. enhancing shareholder value;

. representing a competitive and performance-oriented environment that motivates executive officers to achieve a high level of individual, business unit and corporate results in the business environment in which they operate;

. relating incentive-based compensation to the performance of each executive officer, as measured by financial and strategic performance goals; and

. enabling Global Crossing to attract and retain top quality management.

The Compensation Committee of the board of directors, which we will refer to as the "Committee," periodically reviews the components of compensation for Global Crossing's executive officers on the basis of this philosophy and periodically evaluates the competitiveness of its executive officer compensation program relative to comparable companies. When the Committee determines that executive officer compensation adjustments or bonus awards are necessary or appropriate, it makes such modifications as it deems appropriate. However, the board of directors has sole authority to modify the compensation of the Chairman, the Co-Chairman and the Chief Executive Officer ("CEO"), although the Committee makes recommendations to the board in this regard.

Section 162(m) of the Internal Revenue Code of 1986 limits the deductibility of certain annual compensation payments in excess of $1 million to a company's executive officers. It is the objective of the Compensation Committee to administer compensation plans in compliance with the provisions of Section 162(m) where feasible and where consistent with Global Crossing's compensation philosophy as stated above. In that connection, at the 2000 Annual General Meeting of Shareholders, the Company intends to recommend the adoption of an annual bonus plan meeting the requirements of Section 162(m). The Company already has in place a stock incentive plan pursuant to which stock-based incentives may be awarded in compliance with Section 162(m).

Executive Compensation Components

The major components of compensation for executive officers, including the CEO, are base salary, annual bonuses and stock option grants. Each component of the total executive officer compensation package emphasizes a different aspect of Global Crossing's compensation philosophy.

. Base Salary. Base salaries for executive officers are initially set upon hiring by the Committee (or, in the case of the Chairman, the Co-Chairman and the CEO, by the board of directors upon the Committee's recommendation) based on recruiting requirements (i.e., market demand), competitive pay practices, individual experience and breadth of knowledge, internal equity considerations and other objective and subjective factors. Increases to base salary are also determined by the Committee or the board of directors, as applicable. Increases are determined primarily on an evaluation of competitive data, the individual's performance and contribution to Global Crossing, and Global Crossing's overall performance. Base salaries are periodically reviewed by the Compensation Committee.

- Target Annual Bonuses. Global Crossing relies to a large degree on annual bonus compensation to attract, retain and reward executives of outstanding abilities and to motivate them to perform to the full extent of their abilities. Target bonuses for executive officers, including the CEO, are determined on the basis of competitive bonus levels, level of responsibility, ability to influence results on a corporate or business unit level and, on occasion, subjective factors. Target annual bonuses for the Chairman, the Co-Chairman and the CEO are determined by the board of directors upon recommendation by the Compensation Committee. Target annual bonuses for other executive officers are determined by the Committee.

- Stock Option Grants. The only current long-term incentive opportunity for executive officers, including the CEO, is the award of stock option grants under the 1998 Global Crossing Ltd. Stock Incentive Plan. In contrast to bonuses that are paid for prior year accomplishments, stock option grants represent incentives tied to future stock appreciation. They are intended to provide executive officers with a direct incentive to enhance shareholder value. Options generally vest over a three-year period with a maximum term of ten years. Option grants are awarded at the discretion of the Committee primarily based on an evaluation of competitive data and the anticipated contribution that the executive officer will make to Global Crossing.

The Committee conducts annually a full review of the performance of Global Crossing and its executive officers in assessing compensation levels. The Committee considers various qualitative and quantitative indicators of both Global Crossing and the individual performance of its executive officers. This review evaluates Global Crossing's performance both on a short- and long-term basis. The Committee may consider such quantitative measures as Total Shareholder Return ("TSR"), Return on Shareholder's Equity ("ROSE"), Return on Capital Employed ("ROCE"), revenue growth, and growth in Adjusted EBITDA and other measures of profitability. The Committee may also consider qualitative measures such as leadership, experience, strategic direction and overall contribution to Global Crossing.

In addition, the Committee evaluates compensation in light of the compensation practices of other companies in the telecommunications industry and peer group companies as may be determined by the Committee. These companies are used as a reference standard for establishing levels of base salary, bonus and stock options. For 1999, executive officer compensation was targeted at the 75th percentile relative to peer group companies in the telecom industry.

2000 Executive Compensation Review

Based on the factors set forth above, the Committee approved (or, in the case of the Chairman, Co-Chairman and CEO, recommended that the board of directors approve) salary increases and 1999 bonus awards for all executive officers. In addition, the Committee approved approximately 11,000,000 additional stock options grants to executive officers during 1999.

Robert Annunziata was appointed CEO in February 1999. Jack Scanlon held the position of CEO from the beginning of 1999 through February 1999. In determining salary increases and 1999 bonus awards for Messrs. Annunziata and Scanlon, the Committee reviewed the performance of Global Crossing against its goals. During 1999, annual revenue increased from $420 million to $1.7 billion as a result of internal growth and acquisitions completed during the year. Global Crossing's market capitalization grew from $10 billion to $43 billion or 330%. In addition, Mr. Annunziata was a key member of the team that completed the successful merger with Frontier Corporation, and the acquisitions of Racal Telecom and Global Marine Systems.

THE COMPENSATION COMMITTEE
James F. McDonald, Chairman
Geoffrey J.W. Kent
Douglas McCorkindale

Summary Compensation Table

The table below sets forth information concerning compensation paid to certain executive officers during the last fiscal year.

	Annual Compensation				Long Term Compensation			
	Year	Salary	Bonus(1)	Other Annual Compensation(2)	Restricted Stock Award(s)	Securities Underlying Options/SARs	LTIP Payouts	All Other Compensation(3)
Gary Winnick........... Chairman	1999	$169,615	$ 785,000	$ 94,097	--	--	--	--
Robert Annunziata*...... Former Chief Executive Officer	1999	464,679	11,000,000	--	--	7,500,000	--	--
Jack M. Scanlon*........	1999	622,500	504,000	--	--	--	--	$ 5,000
Vice Chairman, Asia Global Crossing	1998	450,000	480,000	$213,569	--	3,600,000	--	--
Thomas J. Casey.........	1999	925,000	625,000	--	--	1,600,000	--	--
Vice Chairman	1998	266,667	533,333	--	--	2,000,000	--	--
John A. Scarpati........ Chief Administrative Officer	1999	36,217	2,000,000	--	--	1,000,000	--	222,222
William B. Carter.......	1999	622,500	395,000	--	--	--	--	5,000
President, Global	1998	600,000	1,050,000	--	--	3,000,000	--	$ 5,000
Crossing Development Co.; Chief Executive Officer, Global Marine Systems	1997	$200,000	$ 750,000	--	--	--	--	--

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* Mr. Annunziata became Chief Executive Officer in February 1999 and Mr. Scanlon resigned the position in February 1999. Mr. Scanlon is still one of the four most highly compensated officers of Global Crossing other than the CEO.

(1) The amounts in this column represent annual bonuses, except that Mr. Annunziata's amount reflects a $10,000,000 signing bonus and a $1,000,000 annual bonus; and Mr. Scarpati's amount reflects a $2,000,000 signing bonus.

(2) Mr. Winnick received imputed income for the personal use of corporate aircraft in 1999.

(3) Messrs. Scanlon and Carter received matching company contributions on their 401(k) plan deferrals. Mr. Scarpati is to receive an $8,000,000 bonus upon the completion of 3 years of service, of which 1/36th was accrued in 1999.

Certain Compensation Arrangements

The 1998 Global Crossing Ltd. Stock Incentive Plan (the "1998 Plan") provides that, unless otherwise provided in the specific award agreement, upon a "change in control," certain awards granted under the 1998 Plan may, in the sole discretion of the Compensation Committee, be deemed to vest immediately. The award agreements generally provide for accelerated vesting upon a change in control. A "change in control" is defined under the 1998 Plan in general as the occurrence of any of the following: (1) any person or entity, other than certain of our affiliates, becomes the "beneficial owner," as defined under Rule 13d-3 promulgated under the Securities Exchange Act of 1934, of securities of Global Crossing representing 30% or more of the combined voting power of our then outstanding securities; (2) during any period of 24 months, individuals who at the beginning of such period constituted the board of directors and any new director (other than any directors who meet certain exceptions specified in the 1998 Plan) whose election was approved in advance by a vote of at least two-thirds of the directors then still in office cease for any reason to constitute at least a majority of the board; (3) our shareholders approve any transaction pursuant to which Global Crossing is merged or consolidated with any other company, other than a merger or consolidation which would result in our shareholders immediately prior thereto continuing to own more than 65% of the combined voting power of the voting securities of the surviving entity outstanding after such transaction; or (4) our shareholders approve a plan of complete liquidation of Global Crossing or an agreement for the sale or disposition by Global Crossing of all or substantially all of our assets, other than the liquidation of Global Crossing into a wholly owned subsidiary.

In January 2000, the board of directors authorized Global Crossing to enter into change in control agreements with our executive officers and certain of our other key executives. These agreements provide for certain benefits upon actual or constructive termination of employment in the event of a "Change in Control" (as defined below). With respect to the executive officers named in the Summary Compensation Table above, if, within 24 months of the month in which a Change in Control occurs, his employment is terminated by us (other than for cause or by reason of death or disability), or he terminates employment for "good reason" (generally, an unfavorable change in employment status, compensation or benefits or a required relocation), he shall be entitled to receive (i) a lump sum payment equal to three times the sum of his annual base salary plus guideline bonus opportunity (reduced by any cash severance benefit otherwise paid to the executive under any applicable severance plan or other severance arrangement), (ii) a prorated annual target bonus for the year in which the Change in Control occurs, (iii) continuation of his life and health insurance coverages for three years and (iv) payment of any excise taxes due in respect of the foregoing benefits and of any other payments made to the executive as a result of the Change in Control. The term of each of these agreements will continue through December 31, 2001, after which it will be automatically extended for additional one-year terms subject to termination by either party on one year's prior notice. There is an automatic 24-month extension following any Change in Control. A Change in Control generally is deemed to occur if: (1) any person or entity, other than certain of our affiliates, becomes the "beneficial owner" of securities of Global Crossing representing 20% or more of the combined voting power of our then outstanding securities; (2) during any period of 24 months, individuals who at the beginning of such period constituted the board of directors and any new director (other than any directors who meet certain exceptions specified in the change in control agreement) whose election was approved in advance by a vote of at least two-thirds of the directors then still in office cease for any reason to constitute at least a majority of the board; (3) any transaction is consummated pursuant to which Global Crossing is merged or consolidated with any other company, other than a merger or consolidation which would result in our shareholders immediately prior thereto continuing to own more than 65% of the combined voting power of the voting securities of the surviving entity outstanding after such transaction; or (4) Global Crossing is completely liquidated or we sell or dispose of all or substantially all of our assets, other than the liquidation of Global Crossing into a wholly owned subsidiary.

In December 1999, we entered into an employment agreement with Leo J. Hindery, Jr. providing for Mr. Hindery's employment as Chairman and Chief Executive Officer of our GlobalCenter subsidiary for an initial term of three years. The employment agreement provided for a base annual salary of not less than $500,000 and a guaranteed bonus of not less than $500,000. Mr. Hindery also received stock options to purchase 500,000 shares of Global Crossing common stock at an exercise price of $45 per share. These stock options vest 34% on Mr. Hindery's first date of employment and the balance in 22% increments on each of the first, second and third anniversaries of such date. Pursuant to the employment agreement, Mr. Hindery is also entitled to receive stock options covering 5.5% of the common stock of our GlobalCenter subsidiary or of a tracking stock designed to reflect the performance of the GlobalCenter business. Such GlobalCenter stock options will have an aggregate exercise price of $110 million and will vest 34% immediately and the balance in 22% increments on each of the first, second and third anniversaries of Mr. Hindery's employment start date. In March 2000, Mr. Hindery's compensation arrangements were changed to reflect his new responsibilities as CEO of Global Crossing Ltd. At that time, Mr. Hindery's annual base salary was increased to $995,000 and he received an additional 2,000,000 Global Crossing Ltd. stock options at an exercise price of $54.375 per share, such options to vest ratably over three years. Upon a "change in control" or upon the actual or constructive discharge of Mr. Hindery without "cause" (as defined in Mr. Hindery's agreement), all of his options will immediately vest in full, and Mr. Hindery will be entitled to receive a lump sum payment equal to the sum of his annual base salary and bonus through the end of the term of the agreement.

In February 1999, we entered into an employment agreement with Robert Annunziata providing for Mr. Annunziata's employment as Chief Executive Officer of Global Crossing for an initial term of three years. The employment agreement provided for a base annual salary of not less than $500,000 and a target annual bonus of not less than $500,000. In addition, Mr. Annunziata was provided a $10 million signing bonus, subject to partial repayment in certain circumstances, as well as a $5 million fully recourse loan facility to be used to purchase shares of Global Crossing common stock to the extent Mr. Annunziata used a like amount of his own funds for such purpose. Mr. Annunziata did not elect to make use of this loan facility. Mr. Annunziata also received stock options to purchase 4,000,000 (after giving effect to the March 9, 1999 stock split) shares of Global Crossing common stock at a split-adjusted exercise price of $19.81 per share. These stock options were to vest in 25% increments starting on February 19, 1999 and on February 22 of each of the first three years of Mr. Annunziata's employment. Under the employment agreement, Mr. Annunziata was given the right, for a period of six months following the initial term of the agreement, to require the Company to purchase from him any shares of the Company's common stock held by him as a result of the exercise of the 4,000,000 stock options at a purchase price equal to $49.625 per share. Pursuant to the employment agreement, Mr. Annunziata also received stock options to purchase an aggregate of 500,000 (post-split) shares of Global Crossing common stock, at a split-adjusted exercise price of $24.81 per share, all of which became vested on Mr. Annunziata's first day of employment. Upon Mr. Annunziata's resignation as CEO on March 2, 2000, all of Mr. Annunziata's then unvested stock options granted under the agreement became immediately vested and Mr. Annunziata became entitled to receive a lump sum payment equal to two times his then annual base salary and bonus.

Global Crossing entered into an employment agreement, dated as of April 1, 1998, with Jack Scanlon, providing for Mr. Scanlon's employment as Global Crossing's Chief Executive Officer for an initial term of two years. The employment agreement provided for a base annual salary of not less than $600,000 and a guaranteed bonus of not less than $400,000. In addition, Mr. Scanlon was issued options to purchase a total of 3,600,000 (after adjusting for subsequent stock splits) shares of Global Crossing common stock at a split-adjusted exercise price of $0.835 per share. These options vest in 25% increments on Mr. Scanlon's first day of employment and on each of the first three anniversaries of that date. Upon a "change in control" of Global Crossing, as defined in the 1998 Plan, all of these options will immediately vest, and Mr. Scanlon will be entitled to terminate the agreement and receive a lump sum payment equal to two times his then annual base salary and bonus. Mr. Scanlon will also be entitled to such lump sum payment if he is actually or constructively discharged without "cause" (as defined in the agreement). Mr. Scanlon voluntarily resigned as Chief Executive Officer of Global Crossing in February 1999 to become Vice Chairman of Global Crossing. His employment agreement was extended for one additional year at that time but otherwise was left substantially unchanged.

In September 1998, Mr. Thomas Casey was hired by Pacific Capital Group as its President. At such time, it was also agreed among Pacific Capital Group, Global Crossing and Mr. Casey that, in addition to Mr. Casey's role as President of Pacific Capital Group, Mr. Casey would also serve as Managing Director of Global Crossing. In connection with such employment, Mr. Casey received economic rights to 2,000,000 shares of the Global Crossing common stock at an effective price of $2.00 per share. Such rights vest in 33% increments on the first day of Mr. Casey's employment and on each of the first and second anniversaries of the first day of Mr. Casey's employment. In connection with Mr. Casey's dual employment, Global Crossing and Pacific Capital Group established an arrangement whereby each entity would be responsible for a portion of Mr. Casey's salary and long-term compensation based upon the relative amount of time spent by Mr. Casey on matters pertaining to such entity. Initially, 80% of Mr. Casey's salary and long-term compensation was allocated to Global Crossing and 20% of such amounts was allocated to Pacific Capital Group, subject to adjustment and re-allocation on an annual basis. On March 18, 1999, in recognition of the time spent by Mr. Casey on Global Crossing matters to such date and his expected ongoing responsibilities with Global Crossing, the Global Crossing board of directors elected to assume Mr. Casey's employment agreement, including the full amount of Mr. Casey's salary and long-term compensation, with Mr. Casey serving full time in his role with Global Crossing as Managing Director and Vice Chairman of the board of directors.

In December 1999, Global Crossing entered into an employment agreement with John A. Scarpati providing for Mr. Scarpati's employment as Chief Administrative Officer of Global Crossing for an initial term of three years. The employment agreement provides for a base salary of not less than $500,000 and a target annual bonus of 100% of his base annual salary. In addition, Mr. Scarpati was provided a $2 million signing bonus, subject to partial repayment in certain circumstances, as well as the right to an $8 million payment in the event he remains employed by Global Crossing for three years or is actually or constructively discharged without "cause" (as defined in the agreement). In connection with his employment, Mr. Scarpati received stock options to purchase

1,000,000 shares of Global Crossing common stock at an exercise price of $53 per share. These stock options vest in 25% increments on the date Mr. Scarpati commenced employment with the Company and on each of the first three anniversaries thereof. Upon a "change in control" (as defined in the 1998 Plan) or upon the actual or constructive discharge of Mr. Scarpati without "cause" (as defined in the agreement), these options will immediately vest in full, and Mr. Scarpati will be entitled to terminate the agreement and receive a lump sum payment equal to the sum of his then annual base salary and bonus.

Compensation of Outside Directors

Each director who is not an employee of Global Crossing receives cash compensation of $2,500 for each meeting of the board of directors attended and $1,500 for each attended meeting of a committee of the board of which he or she is a member. In addition, each non-employee chairman of a board committee also receives an annual retainer of $5,000. During 1999, each non-employee director commencing service on the board received options to purchase 120,000 shares of Global Crossing common stock at an exercise price equal to the fair market value of Global Crossing common stock on the date of grant. Each such option has a term of 10 years, became exercisable immediately with respect to the first 30,000 shares, and will become exercisable with respect to the remaining 90,000 shares in two equal installments on each of the first and second anniversaries of the date of grant, in each case so long as such director continues to be a director of Global Crossing on such date. Commencing in 2000, the board of directors adjusted the level of initial stock option grants such that new non-employee directors now receive 40,000 option shares (subject to adjustment in the event of a stock split) on the date on which they commence board service.

Option Grants in Last Fiscal Year

The table below sets forth information concerning options granted to certain executive officers during the last fiscal year.

	Individual Grants					Potential Realizable Value At Assorted Annual Rates of Stock Price Appreciation for Option Term		
Name	Number of Securities Underlying Options Granted	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price	Market Price of Common Stock on Grant Date	Expiration Date	0%	5%	10%
Gary Winnick.......... Chairman	--	--	--	--	--	--	--	--
Robert Annunziata......	4,000,000	11.16%	$19.813	$24.812	2/22/09	$19,996,000	$82,412,534	$178,171,752
Former Chief Executive	500,000	1.40%	24.812	24.812	2/22/09	--	7,802,067	19,771,969
Officer	3,000,000	8.37%	45.000	45.000	12/3/09	--	84,900,775	215,155,232
Jack M. Scanlon........ Vice Chairman, Asia Global Crossing	--	--	--	--	--	--	--	--
Thomas J. Casey........	300,000	0.84%	61.375	61.375	5/16/09	--	11,579,522	29,344,783
Vice Chairman	300,000	0.84%	25.000	25.000	9/24/09	--	4,716,710	11,953,068
	1,000,000	2.79%	45.000	45.000	12/3/09	--	28,300,258	71,718,411
John A. Scarpati....... Chief Administrative Officer	1,000,000	2.79%	$53.000	$45.000	12/3/09	$(8,000,000)	$20,300,258	$ 63,718,411
William B. Carter....... President, Global Crossing Development Co.; Chief Executive Officer, Global Marine Systems	--	--	--	--	--	--	--	--

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The table below sets forth information concerning exercises of stock options by certain executive officers during the last fiscal year and the fiscal year-end value of such executive officers' unexercised options.

Name	Shares Acquired On Exercise	Value Realized(1)	Number of Securities Underlying Unexercised Options Exercisable	Unexercisable	Value of Unexercised In-The-Money Options(2) Exercisable	Unexercisable
Gary Winnick............ Chairman	--	--	1,200,000	600,000	$58,998,000	$ 29,499,000
Robert Annunziata....... Former Chief Executive Officer	81,576	$ 2,243,340	1,500,000	6,000,000	42,781,000	105,561,000
Jack M. Scanlon......... Vice Chairman, Asia Global Crossing	345,680	12,525,410	1,334,560	1,800,000	65,613,642	88,497,000
Thomas J. Casey......... Vice Chairman	--	--	1,006,666	1,926,666	33,699,968	42,799,968
John A. Scarpati........ Chief Administrative Officer	--	--	333,334	666,666	--	--
William B. Carter....... President, Global Crossing Development Co., Chief Executive Office Global Marine	174,144	4,860,345	1,706,096	1,000,000	83,880,210	49,165,000

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(1) Amounts indicated are based upon the difference between the exercise price and the closing market price on the exercise date.

(2) Amounts indicated are based upon the difference between the exercise price and the closing market price per share of the common stock of $50.00 on December 31, 1999.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee of the Global Crossing board of directors consists of Messrs. McDonald, Kent and McCorkindale, none of whom had any relationships with Global Crossing requiring disclosure under Securities and Exchange Commission rules. However, prior to November 4, 1999, the Compensation Committee consisted of Lodwrick M. Cook, Michael R. Steed and Jay R. Levine (an employee of an affiliate of Canadian Imperial Bank of Commerce), who were involved in certain transactions described in Item 13 below.

Comparison of Cumulative Total Returns

The graph below compares the cumulative total shareholder return on Global Crossing common stock for the period from August 14, 1998, the initial date of trading of Global Crossing common stock, to December 31, 1999 with the cumulative total return of the Standard & Poor's 500 Stock Index and the NASDAQ Telecom Index over the same period. The graph assumes $100 invested on August 14, 1998 in Global Crossing common stock and $100 invested on such date in each of the Standard & Poor's 500 Stock Index and the NASDAQ Telecom Index, with dividends reinvested. In the proxy statement provided to shareholders in connection with our 1999 Annual General Meeting of Shareholders, we used a peer group of fiber optic cable providers comprised of Qwest, Level 3 Communications, Inc., Metromedia Fiber Network, Inc., IXC Communications, Inc. and Equant NV (the "Old Peer Group"). We have decided to replace the Old Peer Group index with the NASDAQ Telecom Index because we believe the latter index to be readily accessible to our Shareholders and more representative of the industries in which we now compete. In accordance with SEC rules, the graph below also illustrates the cumulative total shareholder return of the Old Peer Group over the relevant period.

Stock Performance
[LINE GRAPH]

	GBLX	S&P 500 Stock Index	NASDAQ Telecom Index	Old Peer Group
08/14/1998	100	100	100	100
09/30/1998	81.86	95.7	91.16	83.51
12/31/1998	176.96	115.67	125.6	124.49
03/31/1999	362.75	121.04	155.04	178.48
06/30/1999	334.31	129.17	164.27	175.77
09/30/1999	207.84	120.7	156.67	151.07
12/31/1999	392.16	138.25	254.61	230.11

At 12/31/99, a $100 initial investment is worth:

GBLX	$392.16
S&P 500 Stock Index	$138.25
NASDAQ Telecom Index	$254.61
Old Peer Group	$230.11

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 3, 2000, certain information regarding the beneficial ownership of our common stock by (i) each person or entity who is known by us to own beneficially 5% or more of our voting common stock, (ii) each of our directors and executive officers and (iii) all of our directors and executive officers as a group. To our knowledge, each such shareholder has sole voting and investment power with respect to the shares shown, unless otherwise noted. For purposes of this table, an individual is deemed to have sole beneficial ownership of securities owned jointly with such individual's spouse. Amounts appearing in the table below include (i) all shares of common stock outstanding as of March 3, 2000, (ii) all shares of common stock issuable upon the exercise of options within 60 days of March 3, 2000 and (iii) all shares of common stock issuable upon the exercise of warrants within 60 days of March 3, 2000. The warrants designated below as "New PCG Warrants" and "GCL Warrants" each represent the right to immediately purchase shares of GCL common stock at an exercise price of $9.50 per share.

	Beneficial Ownership of Common Stock				
	Number of Shares(1)	Shares Subject to New PCG Warrants	Shares Subject to GCL Warrants	Shares Subject to Options(2)	Percentage of Class
Pacific Capital Group, Inc.(3)................ 360 North Crescent Drive Beverly Hills, California 90210	85,861,172	6,050,004	2,515,788	0	11.98%
Canadian Imperial Bank of Commerce(4)......... 161 Bay Street, 8th Floor--BCE Place P.P. Box 500 M5J258, Toronto, Canada	75,297,827	0	0	240,000	9.69%
Gary Winnick(5).........	87,301,383	6,050,004	2,515,788	1,800,000	12.36%
Lodwrick M. Cook........	3,443,929	950,002	0	362,240	*
Leo J. Hindery, Jr......	0	0	0	170,000	*
Thomas J. Casey(6)......	630,412	0	0	1,006,666	*
Abbott L. Brown(7)......	10,386,029	1,450,002	367,666	900,000	1.68%
Joseph Clayton..........	542,396	0	0	1,640,000	*
Dan J. Cohrs............	10,000	0	0	708,668	*
John Comparin...........	5,000	0	0	0	*
James C. Gorton.........	15,000	0	0	709,606	*
David L. Lee(8).........	18,559,028	1,825,002	663,456	900,000	2.80%
Barry Porter............	17,063,809	1,825,002	610,266	900,000	2.60%
John M. Scanlon.........	363,748	0	0	2,234,560	*
John A. Scarpati........	900	0	0	333,334	*
Robert Sheh.............	0	0	0	583,685	*
William B. Carter.......	239,520	0	0	1,706,096	*
Wallace S. Dawson.......	108,958	0	0	530,400	*
Edward Mulligan.........	6,012	0	0	50,000	*
Robert Annunziata.......	0	0	0	5,438,424	*
Jay R. Bloom(9).........	13,993,966	0	0	128,533	1.81%
William E. Conway, Jr.(10)................	2,247,640	0	0	75,000	*
Canning Fok Kin-ning....	0	0	0	8,898,889	1.13%
Eric Hippeau............	35,895	0	0	42,300	*
Dean C. Kehler(9).......	14,848,648	0	0	128,533	1.92%
Geoffrey J.W. Kent......	0	0	0	75,000	*
Douglas McCorkindale....	38,855	0	0	87,400	*
James McDonald..........	5,351	0	0	40,932	*
Bruce Raben.............	0	0	0	120,000	*
Michael R. Steed........	0	0	0	120,000	*
All Directors and Executive Officers as a Group.................	158,157,917	12,100,012	4,157,176	29,690,266	24.72%

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* Percentage of shares beneficially owned does not exceed one percent.

(1) As of March 3, 2000, 779,714,470 shares of common stock were issued and outstanding.

(2) Represents stock options issued under stock option plans of Global Crossing, except that Mr. Fok's amount includes 8,888,889 shares of common stock issuable upon conversion of the 400,000 shares of convertible preferred stock issued to Hutchison Whampoa in connection with the formation of the Hutchison Global Crossing joint venture. As Managing Director of Hutchison Whampoa, Mr. Fok may be deemed to share investment and voting control over these shares.

(3) Includes 70,107,766 shares of common stock and common stock warrants owned or managed by GKW Unified Holdings, a company formed for the benefit of Gary Winnick and members of his family and managed by Pacific Capital Group, which thereby shares investment and voting power over such shares. Also includes 25,133 shares of common stock owned by Casey Pacific Holdings LLC for the benefit of Thomas J. Casey and managed by Pacific Capital Group, which thereby shares investment and voting power over such shares.

(4) These share amounts, which are effective as of March 9, 2000, include 11,453,529 shares held by certain affiliates of Canadian Imperial Bank of Commerce in such a manner that CIBC shares investment power over such shares. The indicated options have been assigned to CIBC by CIBC employees who previously served on the GCL board of directors.

(5) Includes (a) all shares of common stock beneficially owned by Pacific Capital Group, a company controlled by Mr. Winnick, and (b) 1,440,211 shares held by The Winnick Family Foundation, a non-profit organization over whose portfolio securities Mr. Winnick shares investment and voting power.

(6) Includes 605,279 shares of common stock owned by Casey Global Holdings LLC and 25,133 shares of common stock owned by Casey Pacific Holdings LLC, which companies are managed by GCL and Pacific Capital Group, respectively, in such a manner that Mr. Casey shares investment and voting power over such shares.

(7) Includes (a) 75,350 shares of common stock held by the Ridgestone Foundation, a non-profit organization of which Mr. Brown is trustee and (b) 150,000 shares of common stock held by the Abbott and Linda Brown Family Foundation, a non-profit organization of which Mr. Brown is trustee.

(8) Includes (a) all 9,900,822 shares of common stock and 513,156 shares of common stock issuable upon the exercise of warrants owned by San Pasqual Corp., a corporation of which Mr. Lee and his family are the sole shareholders and over whose portfolio securities Mr. Lee shares investment and voting power and (b) all 3,988,242 shares of common stock and 150,300 shares of common stock issuable upon the exercise of warrants owned by the David and Ellen Lee Family Trust, of which Mr. Lee is a trustee and in such capacity shares investment and voting power over such shares.

(9) Includes (a) 11,453,529 shares held by certain affiliates of Canadian Imperial Bank of Commerce in such a manner that Messrs. Bloom and Kehler have shared investment and voting power over such shares and (b) 218,434 shares held by Caravelle Investment Fund, LLC, for whose investment advisor Messrs. Bloom and Kehler serve as managing directors.

(10) Includes 2,239,640 shares of common stock beneficially owned by the Carlyle Group, of which Mr. Conway is managing director and in such capacity shares voting and investment control over such shares.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During 1999, we entered into the transactions described below with certain of our directors, executive officers and affiliates.

Transactions with Pacific Capital Group and its Affiliates

Prior to 1999, Global Crossing entered into certain transactions with affiliates of Pacific Capital Group ("PCG"), including the acquisition of development rights to certain of the Company's fiber optic cable systems. PCG is controlled by Gary Winnick, Chairman of the Board of the Company, and some other officers and directors of Global Crossing either currently are or at one time were affiliated with PCG, including Messrs. Cook, Casey, Lee, Porter and Brown. During 1999, Global Crossing subleased from PCG two suites in an office building in Beverly Hills, California for payments aggregating approximately $287,000 over the year. In October 1999, Global Crossing consolidated its Beverly Hills offices into approximately 87,000 square feet of office space at its present headquarters building at 360 North Crescent Drive. Global Crossing leases this space from North Crescent Realty V, LLC, which is managed by and affiliated with PCG, for an aggregate monthly cost of approximately $400,000. North Crescent Realty V, LLC paid approximately $7.5 million to improve the 360 North Crescent property to meet Global Crossing's specifications and was reimbursed approximately $3.2 million of this amount by Global Crossing. Global Crossing engaged an independent real estate consultant to review the terms of Global Crossing's occupancy of the 360 North Crescent building, which terms were found by the consultant to be consistent with market terms and the product of an arm's length negotiation. Global Crossing subleases approximately 12,000 square feet of the building to PCG for an aggregate monthly cost of approximately $53,000.

PCG has fractional ownership interests in respect of four aircraft used by Global Crossing during 1999. Global Crossing reimburses PCG for PCG's cost of maintaining these ownership interests such that PCG realizes no profit from the relationship. During 1999, PCG billed Global Crossing approximately $2 million in aggregate under this arrangement.

In March 2000, Global Crossing intends to enter into an approximately ten year lease of an aircraft that is currently owned by WINCO Aviation, a company controlled by Gary Winnick (through PCG) and Lodwrick Cook. It is anticipated that a commercial equipment financing company will purchase the aircraft from WINCO Aviation and then lease the aircraft to Global Crossing on standard commercial terms. The purchase price of the aircraft will be approximately $12.5 million, which is the amount WINCO Aviation paid for the aircraft, before transactions costs, when WINCO Aviation first acquired the aircraft in August 1999. As supported by two independent appraisals obtained by Global Crossing, the fair market value of the aircraft is in excess of the proposed purchase price.

Relationship to Crescent Wireless Ltd.

In January 2000, Crescent Wireless Ltd. ("Crescent Wireless") was formed for the purpose of participating in the spectrum auctions being held in the United Kingdom to provide "third generation" wireless telecommunications services. Crescent Wireless is controlled by Gary Winnick, David Lee and Barry Porter, each a director and executive officer of the Company. In connection with the performance by Crescent Wireless of its business operations, the Company has made available to Crescent Wireless on a consultancy basis certain of the Company's personnel. In consideration for these services, the shareholders of Crescent Wireless have granted to the Company an option to purchase any or all of the equity ownership of Crescent Wireless owned by those shareholders.

Relationship with NextWave Telecom Inc.

In December 1999, we entered into an agreement with NextWave Telecom Inc. pursuant to which we agreed to make a minority investment in NextWave through the purchase of its convertible preferred stock, subject to certain conditions relating to the status of NextWave's PCS licenses. NextWave's goal is to deploy a state-of-the-art wireless telecommunications network specifically designed to provide next-generation wireless services. We also entered into a Strategic Services Agreement pursuant to which we are to be the preferred provider of backhaul, long distance backbone, web-hosting, and other communications services to NextWave. PCG and CIBC both also committed to purchase shares of NextWave's convertible preferred stock, subject to essentially the same conditions relating to the status of NextWave's PCS licenses. As of March 3, 2000, the conditions relating to NextWave's PCS licenses have not been satisfied, and none of Global Crossing, PCG or CIBC has consummated an equity investment in NextWave.

Transactions with Canadian Imperial Bank of Commerce and its affiliates

During 1999, Canadian Imperial Bank of Commerce and its affiliates ("CIBC") entered into certain financing transactions with Global Crossing. In particular, CIBC: (1) acted as an arranger for the $600 million ten-day demand note issued by Global Marine Systems in July, (2) acted as an arranger for the $3 billion senior secured credit facility entered into by Global Crossing Holdings Ltd. in July, (3) was an initial purchaser of the $2 billion aggregate principal amount of unsecured senior notes issued by Global Crossing Holdings in November, and (4) was an initial purchaser of Global Crossing Ltd.'s $650 million aggregate liquidation preference 7% cumulative convertible preferred stock issued in December. During 1999, Global Crossing paid CIBC approximately $5.6 million in fees in connection with these transactions. CIBC has a substantial beneficial ownership interest in Global Crossing, and Messrs. Bloom, Kehler and Raben, directors of Global Crossing, are employees of an affiliate of CIBC.

Relationship to Ziff-Davis Inc. and Affiliates

Eric Hippeau, a director of Global Crossing, is the chairman and chief executive officer of Ziff-Davis Inc., a majority of the common stock of which is beneficially owned by Softbank Corp. Softbank is a party to the Asia Global Crossing joint venture established to provide advanced network-based telecommunications services to businesses and consumers throughout Asia. Global Crossing, which is responsible for the management and operation of the network, contributed to the venture its 57.75% share of the Pacific Crossing cable system and its development rights in East Asia Crossing. Softbank and Microsoft each contributed $175 million in cash to Asia Global Crossing and also committed to make a total of at least $200 million in Global Crossing Network capacity purchases over a three-year period, expected to be utilized primarily on the Pacific Crossing system and East Asia Crossing. Softbank and Microsoft also agreed to use Asia Global Crossing's network in the region. Global Crossing currently owns 93% of Asia Global Crossing, with Softbank and Microsoft each owning 3.5%. When the fair market value of Asia Global Crossing is determined to exceed $5 billion, the ownership interest of Softbank and Microsoft will increase to a maximum of 19% each at a valuation of $7.5 billion and above. Mr. Hippeau is Softbank's representative on the Asia Global Crossing board of directors. In addition, Ziff-Davis is one of the largest web-hosting customers of our GlobalCenter subsidiary.

Relationship to Hutchison Whampoa Limited

Canning Fok Kin-ning, managing director of Hutchison Whampoa Limited ("Hutchison"), was recently appointed a director of Global Crossing. In November 1999, Hutchison and Global Crossing entered into an agreement to form a 50/50 joint venture to pursue fixed-line telecommunications and Internet opportunities in the Hong Kong Special Administrative Region, China. The joint venture, the formation of which was completed in January 2000, combines Hutchison's existing territory-wide, building-to-building fixed-line fiber optic telecommunications network and certain Internet-related assets in Hong Kong with Global Crossing's international fiber optic broadband cable capacity and web hosting, Internet applications and data services. For its 50% share, Global Crossing provided to Hutchison $400 million in Global Crossing convertible preferred stock. Additionally, Global Crossing committed to contribute to the joint venture international telecommunications capacity rights on its global fiber optic network and data center related capabilities which together are valued at $350 million, as well as $50 million in cash.

Agreements with Global Crossing Stockholders

In August 1998, PCG, GKW Unified Holdings (an affiliate of Gary Winnick and PCG), affiliates of CIBC, Global Crossing and some of our other shareholders, including some of our officers and directors and their affiliates, entered into a Stockholders Agreement and a Registration Rights Agreement. Under the Stockholders Agreement, Global Crossing has been granted a right of first refusal on specified private transfers by these shareholders during the first two years after the consummation of our initial public offering on August 14,1998. In addition, subject to the exceptions in the Stockholders Agreement, some of these shareholders have rights, which are referred to as tag-along rights, permitting these shareholders to participate, on the same terms and conditions, in some transfers of shares by any other of these shareholders as follows: (1) PCG, GKW Unified Holdings and CIBC and their affiliates and permitted transferees have the right to participate in any transaction initiated by any of them to transfer 5% or more of our outstanding securities; and (2) PCG, GKW Unified Holdings, CIBC and their affiliates and permitted transferees have the right to participate in any transaction initiated by any of them to transfer any of our securities if that transaction would result in a change of control of Global Crossing. Under the Registration Rights Agreement, our shareholders who are parties to that agreement and a number of their transferees have demand and piggyback registration rights and will receive indemnification and, in some circumstances, reimbursement for expenses from us in connection with an applicable registration.

Principal shareholders of Global Crossing representing at that time over a majority of the voting power of our common stock entered into a Voting Agreement with Frontier Corporation in March 1999 in connection with the Frontier merger. These Global Crossing shareholders reaffirmed their voting obligations under the Voting

Agreement in connection with subsequent amendments made to the merger agreement during 1999. Pursuant to the Second Reaffirmation of Voting Agreement and Share Transfer Restriction Agreement dated September 2, 1999, the Global Crossing shareholders that are parties to the Voting Agreement also agreed, from September 2, 1999 until March 28, 2000, not to transfer record or beneficial ownership of any shares of Global Crossing common stock held by such shareholders, other than transfers to charities, transfers made with the consent of the Company and other limited exceptions, and to work in good faith toward implementing a program with the purpose that, if the Global Crossing shareholders that are parties to the Voting Agreement wish to sell or transfer their shares after March 28, 2000, these sales or transfers would be completed in a manner that would provide for an orderly trading market for the shares of Global Crossing common stock.

Also on September 2, 1999, fourteen of our executive officers and three executive officers of Frontier entered into a Share Transfer Restriction Agreement with Global Crossing. Under this agreement, the Global Crossing executive officers agreed not to sell or transfer shares of our common stock, and the Frontier executive officers agreed not to sell or transfer shares of Frontier common stock and the shares of Global Crossing common stock they would receive in exchange for their Frontier common stock in the merger, until March 28, 2000, subject in each case to substantially the same exceptions as are applicable to the Second Reaffirmation of Voting Agreement and Share Transfer Restriction Agreement described in the immediately preceding paragraph.

Loan to Executive Officer

In May 1998, Dan J. Cohrs, an executive officer of the Company, received an interest-free relocation loan in the aggregate principal amount of $250,000. This loan is repayable in full on May 18, 2001.

